

DOCUMENT RESUME

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TITLE Proportion of U.S. Children of School Age Living in Poverty Declined in South During 1969-75.

INSTITUTION Department of Commerce, Washington, D.C.

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ABSTRACT

This paper provides preliminary estimates for 1975 of the total number of school-age children 5 to 7 years of age living in families below the poverty level in each state. The determination of poverty status was made in accordance with the official definition as required by section 103 (c) (1) (A) of Title I of the Elementary and Secondary Education Act of 1965. The estimates in the tables were developed from the Survey of Income and Education, a special survey of the population that the Bureau of the Census conducted in each state between April and July 1976. Attached to the study are the enclosures. Enclosure A contains a description of the survey along with a statement which addresses the statistical reliability of the estimates and certain conceptual, collection, and processing differences between these estimates and those developed from the 1970 Census and the current Population Survey. Enclosure B examines the effect on Title I fund allocations which would result if the 1970 census estimates of school-age children in poverty, currently being used in the formula were to be replaced by these preliminary survey estimates. Enclosure C contains current estimates of the poverty population by state using alternative "poverty" measures. Tentative findings based on the preliminary data indicate some significant changes in the geographic distribution in the number of children in poverty since 1970. It appears that children in poverty have become somewhat less concentrated in the South and lower income states, while the more industrialized and higher income states have tended to increase their relative share. The incidence of poverty among children has tended to become relatively more uniform by state.

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PROPORTION OF U.S. CHILDREN OF
SCHOOL AGE LIVING IN POVERTY
DECLINED IN SOUTH DURING 1969-75

There was a significant regional shift between 1969 and 1975 in the proportion of school-age children living in poverty, according to a special Bureau of the Census survey made public today by the Departments of Commerce and Health, Education, and Welfare.

In the South, both the proportion and the estimated number of children living in poverty declined. In the East, the North Central States and the West, both the proportion and the estimated number rose.

The special survey, which was mandated by Congress as part of the Education Amendments of 1974, showed that the estimated total number of school-age children living in poverty was 7,132,000 in 1975, in contrast with the 7,700,368 reported in the 1970 decennial Census, which uses income information for 1969. The following table shows how

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U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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the proportion of poor children residing in each of the four major regions has shifted:

<u>AREA</u>	<u>1969</u>	<u>1975</u>
United States, total	100.0 percent	100.0 percent
Northeast	16.2 percent	18.6 percent
North Central	20.0 percent	22.1 percent
South	49.6 percent	43.4 percent
West	14.3 percent	15.8 percent

Details for each state are shown in attached table.

The new survey, called the 1976 Survey of Income and Education, was conducted by the Commerce Department's Census Bureau in the spring of 1976 and covered 151,000 households. It was one of the most extensive surveys ever made by the Bureau.

The enactment of legislation requiring the survey arose from Congressional concerns that 1970 Census data might no longer provide an accurate basis for determining eligibility for funds under Title I of the Elementary and Secondary Education Act of 1965. Title I money goes to school districts providing special educational services to educationally deprived children.

In mandating the survey, Congress specified that new legislation would have to be passed before any change in the allocation formula, or in the data to be used, is implemented.

Data in this report is from a sample survey and is subject to sampling variability. Although the new estimates of school-age children in poverty are still preliminary and are undergoing continued analysis and evaluation, the sample estimates presented here are reasonably accurate (within the stated reliability) and provide a better measure of the current number and geographic distribution of these children than the 1970 figures, the Census Bureau said. The figures may also differ from those reported in other surveys for the same period, such as the March, 1976 Current Population Survey.

The poverty level used in the survey is the official government measure for 1975, which is based on different consumption requirement of families in relation to their size and composition, sex and age of the family head, and farm-nonfarm residence. The poverty level in 1975 for a nonfarm family of four was \$5,500.

The 1976 new data also will satisfy another requirement of the 1974 Education Amendments which directs the U.S. Commissioner of Education to estimate the number of children and others who need bilingual education, guidance, and counseling because of their limited ability to speak English. This data is expected to be available by summer.

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A separate table, provided by HEW, gives a hypothetical illustration of the effects of using the 1975 survey data on allocations of funds under Title I. The illustrative table assumes that no changes are made in the law other than the shift to the 1975 data.

The current Congress will be reviewing the Title I formula.

Final results of the special 1976 survey are to be released in about six months.

A description of the survey is available from the Public Information Office, Bureau of the Census, Washington, D.C. 20233. Tel. 301/763-7273.

* * * * *



The Vice President
United States Senate
Washington, D.C. 20510

Dear Mr. Vice President:

In compliance with section 822(a), as amended, of the Education Amendments of 1974 (Public Law 93-380), we are herewith transmitting to the Congress preliminary estimates for 1975 of the total number of school-age children 5 to 17 years of age living in families below the poverty level in each State (see table 1 of enclosure A). The determination of poverty status was made in accordance with the official definition as required by section 103(c)(1)(A) of Title I of the Elementary and Secondary Education Act of 1965.

The estimates in the enclosed tables were developed from the Survey of Income and Education, a special survey of the population that the Bureau of the Census conducted in each State between April and July 1976.

Tentative findings based on the preliminary data indicate some significant changes in the geographic distribution in the number of children in poverty since 1970 (see table 2 of enclosure A). During this period it appears that children in poverty have become somewhat less concentrated in the South and lower income States, while the more industrialized and higher income States have tended to increase their relative share. Among the factors contributing to this change is a significant reduction in the incidence of poverty in States which had high poverty rates in the 1970 census. Thus, although there are still significant differences, the incidence of poverty among children has tended to become relatively more uniform by State.

In accordance with section 822(b) of this act, within 6 months of the date of this report, two additional studies will be transmitted to Congress. One of these will be an analysis of the accuracy and utility of the survey data. The other will be a study of the feasibility of updating the estimates of poverty counts for allocations within States. While these studies are still in preparation, we are enclosing the following material at this time for your information:

1. Enclosure A contains a description of the survey along with a statement which addresses the statistical reliability of



the estimates and certain conceptual, collection, and processing differences between these estimates and those developed from the 1970 census and the Current Population Survey. A more complete study of the results of the survey and a more complete evaluation and statistical assessment of the estimates will be forthcoming within 6 months. This evaluation will produce a final set of State estimates that may differ from those accompanying this transmittal.

2. Enclosure B examines the effect on Title I fund allocations which would result if the 1970 census estimates of school-age children in poverty, currently being used in the formula, were to be replaced by these preliminary survey estimates.

Also, for your information, we have included in enclosure C current estimates of the poverty population by State using alternative "poverty" measures. These measures were developed by the Poverty Studies Task Force under the Federal Interagency Committee on Education, and were introduced in the April 1976 report, "The Measure of Poverty." This report was transmitted by the Under Secretary of HEW to Congress in accordance with section 823 of this act.

Sincerely,

Secretary of Commerce

Secretary of Health, Education,
and Welfare

Enclosures



Honorable Thomas P. O'Neill, Jr.
Speaker of the House of
Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

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the estimates and certain conceptual, collection, and processing differences between these estimates and those developed from the 1970 census and the Current Population Survey. A more complete study of the results of the survey and a more complete evaluation and statistical assessment of the estimates will be forthcoming within 6 months. This evaluation will produce a final set of State estimates that may differ from those accompanying this transmittal.

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Sincerely,

Secretary of Commerce

Secretary of Health, Education,
and Welfare

Enclosures

NUMBER, PERCENT DISTRIBUTION, AND POVERTY RATES OF CHILDREN 5 TO 17 YEARS OLD
IN FAMILIES BELOW THE POVERTY LEVEL IN 1969 AND 1975, BY STATE:
1970 CENSUS AND SIE

Divisions, Regions, and States	Number of Children				Percent of U.S. Children in Poverty		Poverty Rate	
	1970 Census		SIE		1970 Census	SIE	1970 Census	SIE
	Total	Below Poverty Level	Total	Below Poverty Level				
UNITED STATES, TOTAL..	51,868,804	7,700,368	49,211,000	*7,131,520	100.00	100.00	14.8	14.5
NORTHEAST.....	11,908,771	1,247,028	11,065,020	1,330,110	16.21	*18.64	10.5	*12.0
New England.....	2,937,769	260,121	2,794,990	283,270	3.39	*3.96	8.9	*10.1
Maine.....	256,472	36,308	253,130	38,690	0.47	0.54	14.2	15.3
New Hampshire.....	185,640	14,286	197,000	20,310	0.19	*0.28	7.7	*10.3
Vermont.....	114,869	13,062	112,260	20,020	0.17	*0.28	11.4	*17.8
Massachusetts.....	1,397,892	116,900	1,322,660	123,540	1.52	1.73	8.4	9.3
Rhode Island.....	222,516	24,482	205,790	21,520	0.32	0.30	11.0	10.5
Connecticut.....	760,372	55,083	704,150	59,190	0.72	0.83	7.2	8.4
Middle Atlantic.....	8,971,002	986,907	8,270,030	1,046,840	12.82	*14.68	11.0	12.7
New York.....	4,302,517	526,402	3,992,870	524,020	6.84	7.35	12.2	13.1
New Jersey.....	1,780,970	155,690	1,672,110	193,800	2.02	*2.72	8.7	*11.6
Pennsylvania.....	2,827,515	304,815	2,605,050	329,020	3.96	4.61	10.6	12.6
NORTH CENTRAL.....	14,849,666	1,539,350	13,587,930	1,576,880	20.00	*22.12	10.4	11.6
East North Central....	10,599,277	1,023,717	9,704,260	*1,160,900	*13.29	*16.29	9.7	*12.0
Ohio.....	2,787,846	273,542	2,521,070	293,650	3.55	4.12	9.8	11.6
Indiana.....	1,368,706	123,484	1,257,960	120,440	1.60	1.69	9.0	9.6
Illinois.....	2,827,252	302,311	2,570,280	*389,150	3.93	*5.46	10.7	*15.1
Michigan.....	2,424,797	220,485	2,230,860	251,710	2.86	*3.53	9.1	*11.3
Wisconsin.....	1,190,676	103,895	1,124,090	105,950	1.35	1.49	8.7	9.4
West North Central....	4,250,389	515,633	3,882,670	*415,980	6.71	*5.83	12.1	*10.7
Minnesota.....	1,043,025	98,936	958,470	87,340	1.28	1.22	9.5	9.1
Iowa.....	734,956	72,000	678,080	*53,270	0.94	0.75	9.8	*7.9
Missouri.....	1,166,321	172,955	1,070,580	157,040	2.25	2.20	14.8	14.7
North Dakota.....	173,959	27,354	155,410	*17,820	0.36	0.25	15.7	*11.5
South Dakota.....	185,071	33,815	164,830	*21,660	0.44	0.30	18.3	*13.1
Nebraska.....	383,166	45,952	356,640	36,100	0.60	0.51	12.0	10.1
Kansas.....	563,891	64,621	499,660	*42,750	0.84	*0.60	11.5	*8.6
SOUTH.....	16,238,176	3,815,961	15,845,180	*3,098,210	49.55	*43.43	23.5	*19.6
South Atlantic.....	7,751,945	1,605,208	7,696,990	*1,397,080	20.85	*19.58	20.7	*18.2
Delaware.....	145,356	17,372	137,610	14,300	0.23	0.20	12.0	10.4
Maryland.....	1,020,821	116,951	974,980	104,150	1.52	1.46	11.5	10.7
District of Columbia.....	160,638	37,193	144,610	*22,740	0.48	*0.32	23.2	*15.7
Virginia.....	1,179,000	214,357	1,138,750	*155,750	2.78	*2.18	18.2	*13.7
West Virginia.....	438,170	106,359	401,560	*76,020	1.38	*1.07	24.3	*18.9
North Carolina.....	1,304,542	312,545	1,244,490	*221,210	4.06	*3.10	24.0	*17.8
South Carolina.....	711,970	206,985	692,700	165,700	2.69	2.32	29.1	*23.9
Georgia.....	1,206,543	293,871	1,193,880	254,660	3.82	3.57	24.4	21.3
Florida.....	1,584,905	299,575	1,768,410	382,550	3.89	5.35	18.9	21.6
East South Central....	3,373,726	987,444	3,203,870	*696,460	12.82	*9.75	29.3	*21.7
Kentucky.....	830,939	208,462	793,941	170,230	2.71	2.39	25.1	21.4
Tennessee.....	959,601	245,157	954,941	195,660	3.18	2.74	24.8	*20.5
Alabama.....	922,898	272,146	858,991	*136,210	3.53	*1.91	29.5	*15.9
Mississippi.....	630,288	261,679	596,001	*194,340	3.40	*2.72	41.5	*32.6
West South Central....	5,112,505	1,223,309	4,944,320	*1,004,670	15.88	*14.09	23.9	*20.3
Arkansas.....	491,553	155,135	495,910	*106,060	2.01	*1.49	31.6	*21.4
Louisiana.....	1,027,189	308,850	911,050	*219,900	4.01	*3.05	30.1	*22.9
Oklahoma.....	629,183	122,548	596,900	*86,990	1.59	1.22	19.5	*14.6
Texas.....	2,964,580	636,776	2,890,460	591,720	8.27	8.30	21.5	20.5
WEST.....	8,872,191	1,098,029	8,712,520	1,126,320	14.26	*15.80	12.4	12.9
Mountain.....	2,280,542	336,281	2,386,310	328,530	4.37	4.61	14.7	13.8
Montana.....	193,093	24,998	181,960	22,760	0.32	0.32	12.9	12.5
Idaho.....	197,279	23,716	205,130	22,530	0.31	0.32	12.0	11.0
Wyoming.....	90,119	10,054	89,990	7,740	0.13	0.11	11.2	8.6
Colorado.....	581,563	71,254	600,390	64,090	0.93	0.90	12.3	10.7
New Mexico.....	306,201	80,559	300,010	77,940	1.05	1.09	26.3	26.0
Arizona.....	479,575	84,014	549,200	92,430	1.09	1.30	17.5	16.8
Utah.....	308,734	30,116	316,310	25,270	0.40	0.35	10.0	*8.0
Nevada.....	123,978	10,890	143,320	15,770	0.14	0.22	8.8	*11.0
Pacific.....	6,591,649	761,748	6,326,210	797,790	9.89	11.19	11.6	12.6
Washington.....	866,082	80,172	809,070	81,290	1.04	1.14	9.3	10.0
Oregon.....	524,961	53,953	511,540	42,760	0.70	0.60	10.3	*8.4
California.....	4,913,764	595,765	4,705,530	648,050	7.74	9.09	12.1	13.8
Alaska.....	85,165	12,393	95,590	*6,150	0.16	*0.09	14.6	*6.4
Hawaii.....	201,677	19,465	204,480	19,540	0.25	0.27	9.7	9.6

* An asterisk (*) preceding the SIE data indicates statistically significant change at the 95 percent confidence level from the 1970 census data. An asterisk is not necessary for the SIE Total column because these numbers are not subject to sampling error.

Illustrative Net Impact On Allocation Of Title I Funds Of Updated
Estimates Of Poor Children in 1975 Assuming No Other Change In The
Law, FY 77

(Millions of Dollars)

Divisions, regions, and States	Actual FY 1977 allocation	Illustrative allocation based on updated estimates of poor children in 1975	Difference	
			Amount	Percent
United States, Total...	\$1,653	\$1,653	—	—
NORTHEAST.....	380	417	37	+10
New England.....	66	75	9	+14
Maine.....	6	7	1	+16
New Hampshire.....	3	4	1	+32
Vermont.....	3	5	2	+48
Massachusetts.....	32	35	3	+9
Rhode Island.....	7	6	-1	-12
Connecticut.....	15	18	3	+20
Middle Atlantic.....	314	342	28	+9
New York.....	184	189	5	+3
New Jersey.....	46	60	14	+32
Pennsylvania.....	84	93	9	+11
NORTH CENTRAL....	363	400	37	+10
East North Central.....	258	309	51	+20
Ohio.....	52	58	6	+11
Indiana.....	21	23	2	+9
Illinois.....	88	115	27	+31
Michigan.....	70	84	14	+19
Wisconsin.....	27	29	2	+6
West North Central.....	105	91	-14	-13
Minnesota.....	25	25	—	-2
Iowa.....	15	12	-3	-20
Missouri.....	31	29	-2	-4
North Dakota.....	5	3	-2	-34
South Dakota.....	5	4	-1	-24
Nebraska.....	10	8	-2	-24
Kansas.....	14	10	-4	-34
SOUTH.....	660	571	-89	-13
South Atlantic.....	295	274	-21	-7
Delaware.....	5	4	-1	-18
Maryland.....	28	28	—	—
District of Columbia..	10	7	-3	-31
Virginia.....	39	31	-8	-21
West Virginia.....	18	12	-5	-27
North Carolina.....	50	39	-11	-22
South Carolina.....	34	29	-5	-17
Georgia.....	50	44	-6	-11
Florida.....	61	80	19	+31
East South Central.....	163	122	-41	-25
Kentucky.....	34	30	-4	-12
Tennessee.....	41	34	-7	-16
Alabama.....	46	24	-22	-48
Mississippi.....	42	34	-8	-20
West South Central.....	202	175	-27	-13
Arkansas.....	26	18	-8	-29
Louisiana.....	53	39	-14	-27
Oklahoma.....	19	15	-4	-21
Texas.....	104	103	-1	-2
WEST.....	248	265	17	+7
Mountain.....	64	65	1	+2
Montana.....	5	5	—	-4
Idaho.....	4	4	—	+4
Wyoming.....	2	2	—	-4
Colorado.....	16	14	-2	-11
New Mexico.....	14	14	—	-4
Arizona.....	15	18	3	+17
Utah.....	6	5	-1	-13
Nevada.....	2	3	1	+54
Pacific.....	184	200	16	+9
Washington.....	19	21	2	+11
Oregon.....	15	13	-2	-17
California.....	141	178	37	+26
Alaska.....	3	2	-1	-23
Hawaii.....	6	6	—	—

*Does not include effects of "hold Harmless" provisions, which had no effect on 1977 allocation but may affect allocations in subsequent years.

A BRIEF STATEMENT ON THE
SURVEY OF INCOME AND EDUCATION AND OTHER RELATED MATTERS

Introduction

The Office of Education of the Department of Health, Education, and Welfare distributes funds authorized by Title I of the Elementary and Secondary Education Act of 1965 utilizing a formula that includes the estimate of the number of children 5 to 17 years of age in poverty families in each State in 1969 according to the 1970 Census of Population and Housing. As we move further in time from the census, the interstate relationships for children in poverty are likely to be modified because of differential rates of change in several factors including population growth, family formation and dissolution, and economic activity. Since 1970 national estimates of children in poverty have been available from the Current Population Survey (CPS). However, CPS estimates were not statistically reliable on a State-by-State basis.

Accordingly, Congress in enacting the Educational Amendments of 1974 (Public Law 93-380) provided in section 822(a) that, "The Secretary of Commerce shall, in consultation with the Secretary of Health, Education, and Welfare, expand the Current Population Survey (or make such other survey) in order to furnish current data for each State with respect to the total number of school-age children in each State to be counted for purposes of section 103(c)(1)(A) of title I of the Elementary and Secondary Act of 1965." Pursuant to this legislative requirement, the Bureau of the Census in cooperation with agencies of HEW mounted the Survey of Income and Education (SIE) and carried it out between April and July 1976.

The SIE will also satisfy another requirement of Public Law 93-380, section 731, which directs the Commissioner of Education to estimate from a survey the number of children and other persons in the States who, because of limited English-speaking ability, are in need of bilingual education, guidance, and counseling.

Finally, at HEW's request, the opportunity presented by such a large survey was also used to gather some additional income-related information not usually collected in the Census Bureau's current income surveys such as receipt of food stamps, housing costs for homeowners and renters, and estimated cash assets. Also, information relevant to a number of HEW programs was collected, including data on education, disability, health insurance coverage, and institutionalized persons.

Approximately 190,000 households were selected for the SIE sample and were spread through every State in the Union and the District of Columbia. Interviewers made personal visits to the sample households. Interviews were conducted with a responsible adult in the household and lasted approximately 45 minutes. As required, personal callbacks were made in instances where the initial respondent could not provide the necessary information. Approximately 50 percent of the interviews were completed by the end of May and 95 percent by the end of June. The remainder, including the conversion of a number of households that initially refused to be interviewed, were completed in July. The final response rate for the approximately 160,000 occupied households was 95.4 percent.

Statistical Reliability

Based on our discussions with the respective congressional committees, it was agreed that the survey would be undertaken in such a manner that it would yield estimates of the number of children in poverty with approximately the same statistical reliability (in percentage terms) for each State. These specifications were designed to assure an equitable distribution for each child in poverty throughout the country regardless of the size of the State of residence. Based on the expected use of the estimates and cost considerations, it was further agreed that the target level of sampling variability would be 10 percent; i.e., a 10 percent coefficient of variation (cv). Table 1 shows that by and large this was accomplished. Only three of the estimates have cv's greater than 12 percent and most are in the 8-12 percent range. Although the SIE estimates of school-age children in poverty are still preliminary and are undergoing continued analysis and evaluation, the sample estimates presented here are reasonably accurate (within the stated reliability) and provide a better measure of the current number and geographic distribution of these children than the 1970 census. We have, however, not finalized several important elements of our evaluation of the data. Particularly important in this regard are the results of the reinterview survey. We will be able to make firmer judgments concerning the quality and utility of the data in our next report, in approximately 6 months.

Comparability of SIE Estimates of Poverty with Estimates from the 1970 Census and the Current Population Survey (CPS)

When comparing income and poverty statistics from various surveys and censuses, some differences in the estimates are to be expected even if they are for the same time period and use the same basic income concepts and definitions. For example, the March 1970 CPS estimated that there

were 24.1 million persons in poverty in the United States in 1969, whereas the 1970 census estimate for the same year was 27.1 million persons—about 12 percent higher. The SIE estimate for 1975 was 24.0 million—about 7 percent lower than the recently published estimate for 1975 of 25.9 million from the March 1976 CPS.

These differences result from numerous causes. In addition to sampling variability, other factors affecting income estimates are: The number of income questions asked, the amount of training and general experience of the enumerators, the mode of collection of the data (personal interview, telephone, or mail), the length and timing of the interview, and the extent of the respondent's awareness of the various surveys' objectives and their ensuing cooperation. The net effect of these differences in procedures on family income is difficult to quantify. Research into these problems in 1977 may provide some measure of the differences in the surveys resulting from these factors.

Comparison with the March 1976 CPS

The March 1976 CPS supplement and the Survey of Income and Education (SIE) were both designed to obtain money income information for calendar year 1975. Although two major aspects of these two surveys were the same; i.e., the money income concept and the questionnaire wording and design, there were some significant procedural differences which probably cause the income estimates in these surveys to differ. These differences center on four main areas: (1) Survey objectives, (2) month of interview, (3) conditioning of respondents and mode of interview, and (4) interviewer experience.

1. Survey Objectives.—The major objective of the SIE was to collect accurate income information for each State and the District of Columbia. The primary purpose of the CPS is to obtain accurate statistics on the labor force; e.g., the unemployment rate with income information added as a supplement in March. Presumably the increased emphasis on collection of income data in the training of interviewers and the introductory letters to respondents led to better (i.e., more complete) reporting and thus contributed to differences in the results between the two surveys.

2. Month of Interview.—Virtually all interviews in the March 1976 CPS were conducted during the week of March 14 to 20. Only a small number of households were interviewed during the succeeding week. The SIE interviews took place, for the most part, in May and June, with a small number of interviews occurring in April and July. Since respondents often consult their tax returns in answering survey questions on income, the fact that the CPS interviews took place before

the general April 15 deadline for filing tax returns may have disadvantages compared to the SIE survey. On the other hand, collection of data in May, June, and July for the SIE may have created significant recall problems for income and work experience during 1975.

3. Conditioning of Respondents.—To assure greater reliability of monthly labor force estimates, the CPS sample consists of eight rotation groups (panels) each of which is a national sample. Each of these panels is interviewed eight times in two separate 4-month periods in which one interview takes place each month. These two interview periods occur at a 1-year interval; i.e., a household interviewed for the first time in March 1975 would have been interviewed for the fifth time in March 1976. It has been well documented that repeated interviews of CPS sample households result in decreased respondent cooperation as the number of interviews increases. The SIE did not encounter these problems since all households were, in effect, being interviewed for the first time. In addition respondent cooperation to answer income questions is affected by the mode of interview. Interviewers tend to be able to secure more complete income information in a personal interview than a telephone interview. Whereas extensive use is made of the telephone interviews in the CPS, almost all of the SIE data were collected in personal interviews.

Preliminary analysis of the SIE data file indicates significantly lower nonresponse rates for income than those for the March 1976 CPS. Respondent conditioning and telephone interviews in the CPS are probably contributing factors to the differing income nonresponse rates.

4. Interviewer Experience.—The large number and wide distribution of SIE sample households made it necessary to hire a large number of new, temporary interviewers. Most of these people had no experience as interviewers in a household survey. The Census Bureau permanent staff of interviewers used for the March 1976 CPS represents a group of highly trained and experienced personnel who have worked with complex questionnaires and have been exposed to some difficult interviewing situations. Since some of the March 1976 CPS interviewers were used for the SIE, evaluation plans call for a comparison of the performances of the new interviewers and the experienced interviewers.

Comparison with the 1970 Census

Table 2 shows estimates by State of the number of children 5 to 17 years in families classified in poverty in the 1970 census and the 1976 Survey of Income and Education. As with the comparison of CPS and SIE data care should be exercised when comparing poverty data from these two sources because of numerous conceptual, collection, and processing differences. The income data from the SIE are based

on responses to questions on 11 separate types of income, whereas in the census only six questions were used. Also, the household relationship definitions are somewhat different. For example, in the SIE college students living away from home are treated as family members at their family's home rather than as unrelated individuals living at their college residence. On the other hand, about 400 thousand persons classified as secondary family members in the SIE and CPS are classified as unrelated individuals in the census. The SIE interviewers had more intensive training on collecting income data and closer supervision than the large number of temporary census enumerators and consequently may have been able to obtain more accurate answers from respondents. Furthermore, as previously indicated, almost all the data in the SIE were obtained by personal interview while approximately 60 percent of the households reported on mail questionnaires in the 1970 census.

In addition, there are numerous processing differences between the census and the SIE. Particularly important are the procedures used to impute missing or incomplete income responses. The SIE data were processed using a much improved system recently adopted for processing the March CPS. Such procedures can have important effects in the estimates.^{1/} A more complete evaluation of the SIE results with the census and CPS at the national, regional, and State levels will be forthcoming in the Census Bureau's evaluation report. This evaluation may result in a modified set of State estimates that differs from those included herein.

^{1/} See U.S. Bureau of the Census, Current Population Reports, P-60, No. 103, for additional information.

State	Total in Families	In Families Below Poverty Level				
		Number			Poverty Rate	
		Total	Standard Error		Percent Poor	Standard Error
			Number	Percent (C.V.)		
UNITED STATES.....	49,211,000	7,132,000	123,800	1.7	14.5	0.3
Alabama.....	858,990	136,210	15,673	11.5	15.9	1.8
Alaska.....	95,590	6,150	952	15.5	6.4	1.0
Arizona.....	549,200	92,430	8,745	9.5	16.8	1.6
Arkansas.....	495,910	106,060	10,269	9.7	21.4	2.1
California.....	4,705,530	648,050	52,570	8.1	13.8	1.1
Colorado.....	600,390	64,090	7,632	11.9	10.7	1.3
Connecticut.....	704,150	59,190	5,675	9.6	8.4	0.8
Delaware.....	137,610	14,300	1,607	11.2	10.4	1.2
District of Columbia.....	144,610	22,740	2,738	12.0	15.7	1.9
Florida.....	1,768,410	382,550	33,000	8.6	21.6	1.9
Georgia.....	1,193,880	254,660	25,543	10.0	21.3	2.1
Hawaii.....	204,480	19,540	2,131	10.9	9.6	1.0
Idaho.....	205,130	22,530	1,690	7.5	11.0	0.8
Illinois.....	2,570,280	389,150	27,314	7.0	15.1	1.1
Indiana.....	1,257,960	120,440	11,218	9.3	9.6	0.9
Iowa.....	678,080	53,270	5,735	10.8	7.9	0.8
Kansas.....	499,660	42,750	5,184	12.1	8.6	1.0
Kentucky.....	793,940	170,230	16,497	9.7	21.4	2.1
Louisiana.....	961,050	219,900	18,593	8.5	22.9	1.9
Maine.....	253,130	38,690	3,658	9.5	15.3	1.4
Maryland.....	974,980	104,150	10,954	10.5	10.7	1.1
Massachusetts.....	1,322,660	123,540	12,280	9.9	9.3	0.9
Michigan.....	2,230,860	251,710	19,549	7.8	11.3	0.9
Minnesota.....	958,470	87,340	9,162	10.5	9.1	1.0
Mississippi.....	596,000	194,340	13,840	7.1	32.6	2.3
Missouri.....	1,070,580	157,040	15,870	10.1	14.7	1.5
Montana.....	181,960	22,760	2,079	9.1	12.5	1.1
Nebraska.....	356,640	36,100	4,004	11.1	10.1	1.1
Nevada.....	143,320	15,770	1,389	8.8	11.0	1.0
New Hampshire.....	197,000	20,310	1,704	8.4	10.3	0.9
New Jersey.....	1,672,110	193,800	15,007	7.7	11.6	0.9
New Mexico.....	300,010	77,940	5,500	7.1	26.0	1.8
New York.....	3,992,870	524,020	42,785	8.2	13.1	1.1
North Carolina.....	1,244,490	221,210	24,445	11.1	17.8	2.0
North Dakota.....	155,410	17,820	2,059	11.6	11.5	1.3
Ohio.....	2,521,070	293,650	23,233	7.9	11.6	0.9
Oklahoma.....	596,900	86,990	10,213	11.7	14.6	1.7
Oregon.....	511,540	42,760	4,658	10.9	8.4	0.9
Pennsylvania.....	2,605,050	329,020	25,614	7.8	12.6	1.0
Rhode Island.....	205,790	21,520	2,166	10.1	10.5	1.1
South Carolina.....	692,700	165,700	14,510	8.8	23.9	2.1
South Dakota.....	164,830	21,660	2,969	13.7	13.1	1.8
Tennessee.....	954,940	195,680	19,346	9.9	20.5	2.0
Texas.....	2,890,460	591,720	37,255	6.3	20.5	1.3
Utah.....	316,310	25,270	2,724	10.8	8.0	0.9
Vermont.....	112,260	20,020	1,548	7.7	17.8	1.4
Virginia.....	1,138,750	155,750	17,012	10.9	13.7	1.5
Washington.....	809,070	81,290	8,245	10.1	10.0	1.0
West Virginia.....	401,560	76,020	7,455	9.8	13.9	1.9
Wisconsin.....	1,124,090	105,950	10,494	9.9	9.4	0.9
Wyoming.....	89,990	7,740	765	9.9	8.6	0.9

Source: Survey of Income and Education
U.S. Bureau of the Census

TABLE 2. NUMBER, PERCENT DISTRIBUTION, AND POVERTY RATES OF POOR CHILDREN 5 TO 17 YEARS OLD IN FAMILIES, BY STATE: 1970 CENSUS AND SIE

Divisions, Regions, and States	Poor children 5 to 17 years old				Percent of United States poor		Poverty rate	
	1970 Census		SIE		1970 Census	SIE	1970 Census	SIE
	Number	Standard error	Number	Standard error				
UNITED STATES, TOTAL...	7,700,368	9,799	*7,132,000	123,800	100.00	100.00	14.8	14.5
NORTHEAST.....	1,247,028	3,797	1,330,110	52,080	16.21	*18.62	10.5	*12.0
New England.....	260,121	1,734	283,270	14,693	3.39	*3.96	8.9	*10.1
Maine.....	36,308	636	38,690	3,658	0.47	0.54	14.2	15.3
New Hampshire.....	14,286	402	20,310	1,704	0.19	*0.28	7.7	*10.3
Vermont.....	13,062	383	20,020	1,548	0.17	*0.28	11.4	*17.8
Massachusetts.....	116,900	1,151	123,540	12,280	1.52	1.73	8.4	9.3
Rhode Island.....	24,482	525	21,520	2,166	0.32	0.30	11.0	10.5
Connecticut.....	55,083	790	59,190	5,675	0.72	0.83	7.2	8.4
Middle Atlantic.....	986,907	3,378	1,046,840	50,598	12.82	*14.68	11.0	12.7
New York.....	526,402	2,410	524,020	42,785	6.84	7.35	12.2	13.1
New Jersey.....	155,690	1,323	193,807	15,007	2.02	*2.72	8.7	*11.6
Pennsylvania.....	304,815	1,852	329,020	25,614	3.96	4.61	10.6	12.6
NORTH CENTRAL.....	1,539,350	4,218	1,576,880	46,444	20.00	*22.12	10.4	*11.6
East North Central....	1,023,717	3,440	*1,160,900	42,287	13.29	*16.29	9.7	*12.0
Ohio.....	273,542	1,757	293,650	23,233	3.55	4.12	9.8	11.6
Indiana.....	123,484	1,182	120,440	11,218	1.60	1.69	9.0	9.6
Illinois.....	302,311	1,845	389,150	27,314	3.93	*5.46	10.7	*15.1
Michigan.....	220,485	1,581	251,710	19,549	2.86	*3.53	9.1	*11.3
Wisconsin.....	103,895	1,051	105,950	10,494	1.35	1.49	8.7	9.4
West North Central....	515,633	2,441	*415,980	19,732	6.71	*5.83	12.1	*10.7
Minnesota.....	98,936	1,056	87,340	9,162	1.28	1.22	9.5	9.1
Iowa.....	72,000	901	*53,270	5,735	0.94	*0.75	9.8	*7.9
Missouri.....	172,955	1,382	157,040	15,870	2.25	2.20	14.8	14.7
North Dakota.....	27,354	550	*17,820	2,059	0.36	*0.25	15.7	*11.5
South Dakota.....	33,815	609	*21,660	2,969	0.44	*0.30	18.3	*13.1
Nebraska.....	45,952	717	36,100	4,004	0.60	0.51	12.0	10.1
Kansas.....	64,621	852	*42,750	5,184	0.84	*0.60	11.5	*8.6
SOUTH.....	3,815,961	6,642	*3,098,210	75,623	49.55	*43.43	23.5	*19.6
South Atlantic.....	1,605,208	4,308	*1,397,080	52,728	20.85	*19.58	20.7	*18.2
Delaware.....	17,372	441	14,300	1,607	0.23	0.20	12.0	10.4
Maryland.....	116,951	1,145	104,150	10,954	1.52	1.46	11.5	10.7
District of Columbia.....	37,193	639	*22,740	2,738	0.48	*0.32	23.2	*15.7
Virginia.....	214,357	1,530	*155,750	17,012	2.78	*2.18	18.2	*13.7
West Virginia.....	106,359	1,073	*76,020	7,455	1.38	*1.07	24.3	*18.9
North Carolina.....	312,545	1,849	*221,210	24,445	4.06	*3.10	24.0	*17.8
South Carolina.....	206,985	1,476	165,700	14,510	2.69	2.32	29.1	*23.9
Georgia.....	293,871	1,771	254,660	25,543	3.82	3.57	24.4	21.3
Florida.....	299,575	1,812	382,550	33,000	3.89	*5.36	13.9	21.6
East South Central....	987,444	3,379	*696,460	32,829	12.82	*2.76	29.3	*21.7
Kentucky.....	208,462	1,495	170,230	16,497	2.71	2.35	25.1	21.4
Tennessee.....	245,157	1,629	195,680	19,346	3.18	2.74	24.8	*20.5
Alabama.....	272,146	1,710	*136,210	15,673	3.53	*1.91	29.5	*15.9
Mississippi.....	261,679	1,638	*194,340	13,840	3.40	*2.72	41.5	*32.6
West South Central....	1,223,309	3,761	*1,004,670	42,777	15.88	*14.09	23.9	*20.3
Arkansas.....	155,135	1,284	*106,060	10,269	2.01	*1.49	31.6	*21.4
Louisiana.....	308,850	1,812	*219,900	18,593	4.01	*3.08	30.1	*22.9
Oklahoma.....	122,548	1,158	*86,990	10,213	1.59	*1.22	19.5	*14.6
Texas.....	636,776	2,637	591,720	37,255	8.27	8.30	21.5	20.5
WEST.....	1,098,029	3,761	1,126,320	94,039	14.26	*15.80	12.4	12.9
Mountain.....	336,281	1,972	328,530	13,314	4.37	4.61	14.7	13.8
Montana.....	24,998	528	22,760	2,079	0.32	0.32	12.9	12.5
Idaho.....	23,716	514	22,530	1,690	0.31	0.32	12.0	11.0
Wyoming.....	10,054	336	7,740	765	0.13	0.11	11.2	8.6
Colorado.....	71,254	893	64,090	7,632	0.93	0.90	12.3	10.7
New Mexico.....	80,559	924	77,940	5,500	1.05	1.09	26.3	26.0
Arizona.....	84,014	960	92,430	8,745	1.09	1.30	17.5	16.8
Utah.....	30,796	588	25,270	2,724	0.40	0.35	10.0	8.0
Nevada.....	10,890	351	*15,770	1,389	0.14	*0.22	8.8	*11.0
Pacific.....	761,745	2,967	797,790	50,414	9.89	11.19	11.6	12.6
Washington.....	50,172	949	81,200	8,245	1.04	1.14	9.3	10.0
Oregon.....	53,953	779	42,750	4,658	0.70	0.60	10.3	8.4
California.....	595,765	2,556	648,050	52,570	7.74	9.09	12.1	13.8
Alaska.....	12,393	370	*6,150	952	0.16	*0.09	14.6	*6.4
Hawaii.....	19,465	468	19,540	2,131	0.25	0.27	9.7	9.6

An asterisk () preceding the SIE data indicates statistically significant change at the 95 percent confidence level from the 1970 census data.

IMPACT OF UPDATED ESTIMATES OF CHILDREN IN POVERTY ON THE ALLOCATION OF TITLE I FUNDS

1. ESEA Title I Allocation Formula

The Elementary and Secondary Education Act as amended in 1974 provides for the allocation of funds to counties according to a formula that defines the children to be counted (the eligible population) and the payment rate. Three groups of children are counted in the eligible population: (a) children 5-17 in poor families defined by the 1970 census; (b) two-thirds of the children in families currently receiving AFDC payments in excess of the poverty line;^{1/} and (c) children currently institutionalized because of delinquency or neglect and children in foster homes supported with public funds. The payment rate is set at 40 percent of the current expenditures per pupil in each State with a minimum set at about one-third of the national average and a maximum set at about one-half of the national average. The eligible population multiplied by the payment rate determines the Title I authorization for each county. If the sum of such authorizations for the country as a whole exceeds the amount appropriated for this purpose by the Congress, the authorizations are ratably reduced subject to the further qualification that each county is guaranteed a payment of at least 85 percent of the amount received during the preceding year. This provision is referred to as the "floor" or the "hold harmless" provision.

Children in poverty families are the major component of the eligible population. As noted above, the 1970 census estimates of these children are currently being used in the allocation of Title I funds. PL 93-380 mandates an examination of the impact of updating the numbers of poor children on the Title I allocations.

How would the distribution of Title I funds change if the present allocation formula were used, but the current estimates of children in poverty were substituted for the figures from the 1970 census? The following analysis is an attempt to answer this question.

2. Net Impact of Updated Count of Poor Children on Title I Allocations for Fiscal Year 1977 Based on SIE Estimates

Table 1 shows the fiscal year 1977 payment rate and the eligible population using census and SIE estimates of children 5-17 in poverty families. Also shown are current numbers for other eligible children; i.e., those in AFDC families receiving AFDC payments in excess of \$5,000 and those in eligible institutions or foster homes. These estimates were then used to determine an illustrative allocation of Title I funds for fiscal year 1977.

^{1/} As actually administered, two-thirds of the children in families currently receiving AFDC payments in excess of \$5,000 was used for the F.Y. 1977 allocation.

Table 2 shows how the allocation of Title I funds in fiscal year 1977 would change if the 1970 census count of poor children were replaced with an updated count for 1975 based on the SIE, but all other aspects of the allocation procedure remained unchanged. Actual figures based on the current allocation procedure are shown in Column 1. The amount each State would receive if the poverty estimates were updated is shown in Column 2. It should be noted that the hold harmless provisions were not applied when computing the illustrative updated allocations. The difference expressed both in absolute and relative terms is shown in Columns 3 and 4.

Because of changes in the geographic redistribution of poor children as measured by the SIE, the use of an updated count would have a considerable impact on the allocation of Title I funds. Generally speaking, the amounts going to the large industrial States in the North and West would be increased considerably whereas most of the southern States would receive reductions. The nine States in the Northeast region now receive \$380 million in Title I funds. The allotment to these States would increase to \$417 million if the allocations were based on the SIE estimates. All but one of the States in this region would receive increased allotments. The sole exception is Rhode Island which would lose about \$1 million or 12 percent of the current allotment. The major gainer in this region would be New Jersey, which would have its allotment increased by \$14 million, an increase of 32 percent. The largest percentage gainer, however, would be Vermont with an increased allotment of \$2 million equaling a 48-percent increase in their allotment.

The 12 States in the North Central region currently receive about \$363 million entitlement allotments. The use of the SIE estimates would increase their allotments to about \$400 million, an overall increase of about 10 percent. There is a mix of losers and gainers within this region, with all of the States in the East-North Central division gaining money and those in the West-North Central losing money. The major gainers are the States of Illinois and Michigan. Their allotments increase by \$27 million and \$14 million, respectively. The losses in Title I allocations in the West-North Central division tend to be in the range of \$1 million to \$3 million; however, the percentage reduction for North Dakota and Kansas is about 34 percent of their current allotment.

The Western region's share of Title I funds would increase by about \$17 million, 7 percent, if the census estimates were replaced by the survey estimates. Within this region seven States would lose some funds and only five would gain, with Hawaii getting essentially the same amount. In terms of absolute amounts, California would gain the most with its allotment being increased by \$17 million or about 12 percent. The largest percentage gainer, however, is Nevada, which would have its allotment increased by about 54 percent. Among those States within this region which would lose Title I funds, Alaska and Oregon would have their allotment reduced by about 23 percent and 17 percent, respectively.

The gains for the above regions are correspondingly offset by losses of Title I allotments throughout the South. The use of the survey estimates would result in a net reduction of Title I funds going to southern States of about \$89 million or 13 percent of their current allotment. Of the 17 States in the South region, 16 would lose Title I funds--the exception being Florida, which would have an increase of \$19 million. The States within this region which would have the largest reductions in absolute terms are Alabama--\$22 million, Louisiana--\$14 million, and North Carolina--\$11 million. The major percentage reductions are Alabama--48 percent, the District of Columbia--31 percent, and the States of West Virginia, Arkansas, and Louisiana, which would lose between 25 and 30 percent.

TABLE 1. ELIGIBLE POPULATION BASED ON 1970 CENSUS AND 1975 SIE ESTIMATES, AND FY 1977 PAYMENT RATE PER PUPIL, BY STATES

Divisions, regions, and States	Eligible population (children 5 to 17 years)						Payment rate (based on FY 1977 expenditures per pupil)
	Total		In poor families		In AFDC families with payments over \$5,000 in 1976	In institutions or foster homes in 1976	
	Based on census estimates	Based on SIE estimates	1970 census	1975 SIE			
UNITED STATES, TOTAL.	8,793,490	7,993,490	7,932,000	7,132,000	589,472	272,018	
NORTHEAST							
New England							\$420
Maine.....	39,292	42,292	36,000	39,000	1,351	1,941	442
New Hampshire.....	17,863	21,863	16,000	20,000	731	1,132	509
Vermont.....	16,235	22,235	14,000	20,000	1,445	790	568
Massachusetts.....	149,118	150,118	122,000	123,000	21,255	5,863	593
Rhode Island.....	32,204	26,204	28,000	22,000	2,935	1,269	603
Connecticut.....	64,977	71,977	52,000	59,000	9,747	3,230	
Middle Atlantic							621
New York.....	775,866	737,866	562,000	524,000	172,333	41,533	621
New Jersey.....	192,054	235,054	151,000	194,000	32,379	8,675	580
Pennsylvania.....	377,483	389,483	317,000	329,000	45,554	14,929	
NORTH CENTRAL							
East North Central							447
Ohio.....	302,257	311,257	285,000	294,000	5,213	12,044	436
Indiana.....	127,821	128,821	119,000	120,000	2,351	6,470	595
Illinois.....	386,124	468,124	307,000	389,000	68,900	10,224	587
Michigan.....	313,757	345,757	220,000	252,000	80,689	13,068	545
Wisconsin.....	130,964	128,964	108,000	106,000	15,903	7,061	
West North Central							594
Minnesota.....	110,820	100,820	97,000	87,000	8,948	4,872	481
Iowa.....	82,493	61,493	74,000	53,000	5,759	2,734	437
Missouri.....	182,803	162,803	177,000	157,000	498	5,305	414
North Dakota.....	31,205	19,205	30,000	18,000	633	572	414
South Dakota.....	33,751	23,751	32,000	22,000	491	1,260	483
Nebraska.....	53,920	37,920	52,000	36,000	543	1,377	487
Kansas.....	77,538	47,538	73,000	43,000	2,261	2,277	
SOUTH							
South Atlantic							584
Delaware.....	20,483	15,483	19,000	14,000	492	991	603
Maryland.....	120,588	111,588	113,000	104,000	727	6,861	
District of Columbia.....							899
Virginia.....	43,913	27,913	39,000	23,000	4,014	899	455
West Virginia.....	226,576	165,576	217,000	156,000	321	9,255	414
North Carolina.....	115,430	78,430	113,000	76,000	5	2,425	414
South Carolina.....	314,602	227,602	308,000	221,000	10	6,592	414
Georgia.....	219,146	168,146	217,000	166,000	...	2,146	414
Florida.....	314,849	258,849	311,000	255,000	...	3,849	495
East South Central							414
Kentucky.....	322,525	390,525	315,000	383,000	7	7,518	414
Tennessee.....							414
Alabama.....	215,056	175,056	210,000	170,000	150	4,906	414
Mississippi.....	255,955	199,955	252,000	196,000	...	3,955	414
West South Central							414
Arkansas.....	288,334	139,334	285,000	136,000	...	2,011	414
Louisiana.....	264,011	196,011	262,000	194,000	...		414
Oklahoma.....							1,521
Texas.....	162,521	107,521	161,000	106,000	...	4,477	417
WEST							
Mountain							967
Montana.....	26,967	23,967	26,000	23,000	...	716	515
Idaho.....	25,377	24,377	24,000	23,000	661	716	414
Wyoming.....	9,384	8,384	9,000	8,000	...	384	539
Colorado.....	84,313	69,313	79,000	64,000	1,821	3,492	495
New Mexico.....	89,190	79,190	86,000	78,000	...	1,190	417
Arizona.....	87,371	94,371	85,000	92,000	...	2,371	463
Utah.....	35,454	28,454	32,000	25,000	121	1,333	414
Nevada.....	11,669	16,669	11,000	16,000	48	621	460
Pacific							530
Washington.....	94,340	97,340	78,000	81,000	11,125	5,215	572
Oregon.....	70,607	54,607	59,000	43,000	7,801	3,806	508
California.....	723,777	752,777	618,000	647,000	72,811	32,966	
Alaska.....	10,528	7,528	9,000	6,000	877	651	621
Hawaii.....	26,580	26,580	22,000	20,000	6,137	443	528

ENCLOSURE B

Table 2. ILLUSTRATIVE NET IMPACT ON ALLOCATION OF TITLE I FUNDS OF UPDATED ESTIMATES OF POOR CHILDREN IN 1975 FROM SIE, BY DIVISIONS, REGIONS, AND STATES: FISCAL YEAR 1977 ^{1/}

(Millions of dollars)

Divisions, regions, and States	Actual FY 1977 allocation	Illustrative allocation based on updated estimates of poor children in 1975	Difference	
			Amount	Percent
United States, Total...	\$1,653	\$1,653	--	--
NORTHEAST.....	380	417	37	+10
New England.....	86	75	9	+14
Maine.....	6	7	1	+16
New Hampshire.....	3	4	1	+32
Vermont.....	3	5	2	+48
Massachusetts.....	32	35	3	+9
Rhode Island.....	7	6	-1	-12
Connecticut.....	15	18	3	+20
Middle Atlantic.....	314	342	28	+9
New York.....	184	189	5	+3
New Jersey.....	46	60	14	+32
Pennsylvania.....	84	93	9	+11
NORTH CENTRAL....	363	400	37	+10
East North Central.....	258	309	51	+20
Ohio.....	52	58	6	+11
Indiana.....	21	23	2	+9
Illinois.....	88	115	27	+31
Michigan.....	70	84	14	+19
Wisconsin.....	27	29	2	+6
West North Central.....	105	91	-14	-13
Minnesota.....	25	25	--	--
Iowa.....	15	12	-3	-20
Missouri.....	31	29	-2	-4
North Dakota.....	5	3	-2	-34
South Dakota.....	5	4	-1	-24
Nebraska.....	10	8	-2	-24
Kansas.....	14	10	-4	-34
SOUTH.....	660	571	-89	-13
South Atlantic.....	295	274	-21	-7
Delaware.....	5	4	-1	-18
Maryland.....	28	28	--	--
District of Columbia...	10	7	-3	-31
Virginia.....	39	31	-8	-21
West Virginia.....	18	12	-5	-27
North Carolina.....	50	39	-11	-22
South Carolina.....	34	29	-5	-17
Georgia.....	50	44	-6	-11
Florida.....	61	80	19	+31
East South Central.....	163	122	-41	-25
Kentucky.....	34	30	-4	-12
Tennessee.....	41	34	-7	-16
Alabama.....	46	24	-22	-48
Mississippi.....	42	34	-8	-20
West South Central.....	202	175	-27	-13
Arkansas.....	26	18	-8	-29
Louisiana.....	53	39	-14	-27
Oklahoma.....	19	15	-4	-21
Texas.....	104	103	-1	-2
WEST.....	248	265	17	+7
Mountain.....	64	65	1	+2
Montana.....	5	5	--	--
Idaho.....	4	4	--	--
Wyoming.....	2	2	--	--
Colorado.....	16	14	-2	-11
New Mexico.....	14	14	--	--
Arizona.....	15	18	3	+17
Utah.....	6	5	-1	-13
Nevada.....	2	3	1	+54
Pacific.....	184	200	16	+9
Washington.....	19	21	2	+11
Oregon.....	15	13	-2	-17
California.....	141	156	17	+12
Alaska.....	3	2	-1	-23
Hawaii.....	6	6	--	--

^{1/} The amounts shown in column 1 are the Title I grants actually received by the counties in each State, excluding grants for administering the program which are allocated under a different formula. These amounts therefore reflect the impact of the "hold harmless" provision. A special tabulation which was made showing the Title I grants assuming that the "hold harmless" provision was inoperative, produced estimates which are identical to those shown here. It should be noted that the "hold harmless" provisions were not applied when computing the illustrative allocation using the SIE estimates and thus are not reflected in the estimates of differences.

NOTE: Percent change based on more detailed data.

Source: Special Tabulations prepared by National Center for Education Statistics.

ALTERNATIVE POVERTY COUNTS

The previous sections discuss poverty counts for school-age children. For comparative purposes and to present a fuller picture of the distribution of the poor among the States, poverty counts for other age groups and for some other demographic characteristics are also provided; and similar statistical information is presented with respect to poverty measures other than the official Federal poverty measure.

The current measure of poverty used in the allocation formula was originally developed by Mollie Orshansky of the Social Security Administration in 1964 and was, with revisions, officially adopted in 1969 by the Office of Management and Budget as the Federal Government's official statistical measure of poverty. The measure is built around the Department of Agriculture's economy food plan of 1961 and the national average ratio of family food expenditures to total family after-tax income as measured in the 1955 Household Food Consumption Survey. It consists of 124 separate poverty lines differentiating families by size, number of children, age and sex of head, and farm or nonfarm residence (see table 2). The poverty lines are updated annually by changes in the Consumer Price Index.

The Orshansky poverty matrix is not the only poverty measure used by the Federal Government. Other measures which are used in legislative acts or in administrative guidelines issued by departments and agencies of the executive branch include: Higher multiples of the official poverty lines; i.e., poverty lines set at 125 percent, 150 percent, 195 percent, or other percentages of the official poverty lines; relative measures based on a percentage (50 percent and 80 percent are commonly used) of median family income; simplifications of the official poverty matrix constructed by eliminating distinctions for sex of head, farm residence, and presence of children; and simple single dollar income cutoffs undifferentiated for family size.

The poverty measure is the subject of section 823 of the Education Amendments of 1974. That section required a report to Congress on ways to make the official measure more accurate and current. A report, entitled The Measure of Poverty, was sent to Congress in April 1976. That report examines alternative poverty measures such as those identified in the previous paragraph in addition to the Federal Government's official statistical poverty measure using 1970 census data by State and national estimates for 1974 from the CPS. The purpose of this enclosure is to update selected tables from the earlier report using 1975 SIE estimates by State.

It should be emphasized that the data presented in the State-by-State tables are estimates subject to sampling errors which may be relatively

large for small categories in a State. Relative sampling errors of the estimated total number and percent of children in poverty by State are shown in table 1 of enclosure A. It should be noted that in addition to sampling variability, various collection and processing factors, as discussed in enclosure A, can affect income data collected in sample surveys. These effects are not included in the measure of sampling variability.

It is not possible to display poverty counts for every possible poverty measure. Consequently, some have been chosen for display here because they are commonly used for administrative purposes in various Federal programs for the poor or because they approximate the more commonly proposed alternative poverty measures. A brief description of the poverty measures considered here follows. For further information, table 1 shows the dollar levels for these measures. Pertinent to Title I interests, table 3 provides a summary display of each State's share of the total number of poor school-age children under the measures identified in table 1. In addition, a table for the United States as a whole and for each State and the District of Columbia is attached containing demographic details; e.g., age, sex, family status, for the State poverty populations occurring under these definitions. For the United States as a whole a breakdown by race is also included.

The number and percent of the population below 125 percent of the current levels are provided for several reasons: For one, many programs are targeted on both the "poor" and the "near poor," who are commonly defined as those below the 125 percent level; for another, many proposals to change the current poverty measure have the effect of raising the levels, whatever the particular rationale behind the proposal. For both these reasons the size and demographic characteristics of the population who would be counted as poor below 125 percent of the current poverty levels are likely to be of interest.

Similarly, the number and percent of the population with incomes below 50 percent of a 4-person median family income are included because an increasing number of Federal programs are using relative poverty measures as income criteria in their administrative and legislative guidelines. The assumption underlying a relative measure of poverty is that a person's or family's income level should be looked at in comparison to other income levels of the population as a whole. Such a measure can be purely relative, as is the case when the lowest designated percent of the income distribution is the standard, or quasi-relative where poverty is defined as having income less than a set fraction of median family income. The exact value of the fraction is arbitrary, but 50 percent of median family income is frequently used.

When using fraction-of-the-median definitions, it is necessary to determine from which median family income a given percentage is to be taken. For example, since the median family income in 1975 for a family of four from the Current Population Survey was \$15,848 and for all families was \$13,719, a definition based on the median family income for a family of four would yield a different threshold than would one based on the median family income for all families. For the relative measure displayed here, the basic family is a four-person nonfarm family with a male head and two related children. The poverty threshold for the basic family is calculated to be 50 percent of the estimated median income for all such families in the population. An adjustment is made to vary this threshold to account for different family types and sizes by using an "equivalency" scale constructed from relationships among the 124 official poverty thresholds.

However, aside from considering the statistical impact of increasing the level of the current measure, or of adopting a relative measure based on median income, it is also possible to consider revisions to the basic structure of the official measure. Counts are provided here to demonstrate the effect of making a number of changes by substituting more current data for the older counterparts and by simplifying the overall structure of the poverty matrix. Then, for purposes of comparison, counts are also shown for the population which would fall below 125 percent of these revised poverty levels, and for those below 50 percent of the four-person median family income when the equivalence scale applied is based on the one to be used in the revised measure. These revised poverty lines are shown in table 1.

The main substantive and procedural changes in constructing the revised poverty lines that have been introduced in this revision are as follows: Cost of food has been derived from the Department of Agriculture's December 1975 Thrifty Food Plan; a higher multiplier for nonfood needs relative to food has been developed from analysis of the 1965 Household Food Consumption Survey; a more precise estimate of family food requirements has been made, based on actual age and sex distribution of members rather than by using a hypothetical model; the equivalence scale has been altered so that for families size two through seven, the economy of scale factors recommended in the Food Plans are used, but for families size eight or more larger scale reductions were developed to represent presumed additional economies in nonfood items. For one- and two-person families the revised measure continues two practices followed initially in constructing the current poverty measure to allow for presumed diseconomies of scale for housing and other nonfood items particularly affecting small units: (1) A higher multiplier for nonfood relative to food needs used for one- and two-person households than for households of three or more persons; (2) the scale factor for a one-person household relative to a couple set considerably higher than that implied

by USDA equivalence scales. The range of family sizes for which separate poverty lines are calculated has been expanded from one-through seven-or-more to one-through eleven-or-more, but differential poverty lines for sex of head, number of children, and farm/nonfarm residence within each family size have been eliminated.

The revised poverty measure outlined here is one of several possible revisions detailed in The Measure of Poverty and in the forthcoming Technical Paper XI, "Update of the Orshansky Index." The report, The Measure of Poverty, and the associated technical papers contain much background material on the more technically complex issues touched on here; e.g., equivalence scales. These papers cover such topics as relative income, consumer expenditure patterns, food plans, cost-of-living differences, price indexes, administrative uses of poverty terminology, concepts of poverty, sources of data relevant to poverty measurement, and administrative impact of alternative poverty measures.

Enclosure C:
Table 1.

1975 CUTOFF LEVELS FOR TABLES SHOWING ALTERNATIVE MEASURES OF POVERTY

Universe	Current poverty level			Alternate poverty level		
	Below current poverty level (1)	Below 125% of current poverty level (2)	Below 50% of 4-person median family income ¹ (3)	Below alternate poverty level ² (4)	Below 125% of alternate poverty level (5)	Below 50% of 4-person median family income ² (6)
Full poverty matrix (See Table 2)	125% of Column (1)	See footnote 1	1 person: Under 65.... \$ 3,848 65 and over... 3,610 2 persons: Head under 65.. 4,810 Head 65 & over.. 4,512 3 persons..... 5,260 4 persons 6,610 5 persons 7,923 6 persons 9,549 7 persons 10,618 8 persons 11,512 9 persons 12,566 10 persons 13,690 11 or more 15,194	125% of Column (4)	1 person: Under 65\$4,613 65 and over... 4,328 2 persons: Head under 65.. 5,766 Head 65 & over.. 5,409 3 persons 6,306 4 persons 7,924 5 persons 9,498 6 persons 11,447 7 persons 12,729 8 persons 13,800 9 persons 15,064 10 persons 16,411 11 or more 18,214	

^{1/} Poverty line for four-person family taken as half the median for a four-person husband-wife family with two children, estimated at \$15,373 for 1975. Other sizes computed using implicit equivalence scale based on full current poverty matrix.

^{2/} Developed by Mollie Orshansky of SSA.

^{3/} Poverty line for four-person family taken as half the median for a four-person family equal to \$15,848 for 1975. Criteria for other family sizes computed using implicit equivalence scale based on alternate poverty thresholds.

Enclosure C:

Table 2.—POVERTY CUTOFFS IN 1975 BY SEX OF HEAD, SIZE OF FAMILY, AND NUMBER OF RELATED CHILDREN UNDER 18 YEARS OLD, BY FARM-NONFARM RESIDENCE

Size of Family Unit	Number of Related Children Under 18 Years Old						
	None	1	2	3	4	5	6
NONFARM							
Male Head							
1 Person (Unrelated Individual):							
Under 65 years	\$2,302						
65 Years and Over	2,608						
2 Persons:							
Head Under 65 Years	3,629	\$4,065					
Head 65 Years and Over	3,258	4,065					
3 Persons:							
Head Under 65 Years	4,224	4,361	\$4,610				
Head 65 Years and Over	3,258	4,065					
4 Persons:	5,569	5,651	5,456	\$5,732			
5 Persons:	6,721	6,802	6,584	6,418	\$6,556		
6 Persons:	7,709	7,734	7,571	7,406	7,187	\$7,297	
7 or More Persons	9,702	9,792	9,599	9,435	9,217	8,886	\$8,805
Female Head							
1 Person (Unrelated Individual):							
Under 65 Years	\$2,685						
65 Years and Over	2,574						
2 Persons:							
Head Under 65 Years	3,352	\$3,660					
Head 65 Years and Over	3,217	3,660					
3 Persons:	4,088	3,894	\$4,307				
4 Persons:	5,317	5,540	5,514	\$5,456			
5 Persons:	6,418	6,612	6,524	6,529	\$6,309		
6 Persons:	7,488	7,625	7,571	7,515	7,269	\$7,048	
7 or More Persons	9,407	9,545	9,517	9,435	9,189	8,997	\$8,558
FARM							
Male Head							
1 Person (Unrelated Individual):							
Under 65 Years	\$2,466						
65 Years and Over	2,216						
2 Persons:							
Head Under 65 Years	3,084	\$3,454					
Head 65 Years and Over	2,769	3,454					
3 Persons:	3,591	3,707	\$3,918				
4 Persons:	4,734	4,805	4,637	\$4,872			
5 Persons:	5,713	5,722	5,555	5,455	\$5,572		
6 Persons:	6,552	6,574	6,436	6,295	6,109	\$6,202	
7 or More Persons	8,254	8,324	8,161	8,020	7,835	7,554	\$7,485
Female Head							
1 Person (Unrelated Individual):							
Under 65 Years	\$2,232						
65 Years and Over	2,187						
2 Persons:							
Head Under 65 Years	2,850	\$3,111					
Head 65 Years and Over	2,735	3,111					
3 Persons:	3,473	3,310	\$3,661				
4 Persons:	4,547	4,708	4,687	\$4,637			
5 Persons:	5,455	5,620	5,595	5,549	\$5,363		
6 Persons:	6,366	6,482	6,436	6,389	6,179	\$5,991	
7 or More Persons	7,995	8,115	8,090	8,020	7,811	7,647	\$7,274

SOURCE: U.S. Bureau of the Census, Current Population Survey.

Enclosure C:
Table 3.

STATE SHARES OF TOTAL U.S. POOR CHILDREN AGED 5-17 YEARS: 1975

STATE	Current Poverty Level			Alternate Poverty Level		
	Below Current Poverty Level	Below 125% of Current Poverty Level	Below 50% of 4-Person Median Family Income	Below Alternate Poverty Level	Below 125% of Alternate Poverty Level	Below 50% of 4-Person Median Family Income
Alabama	1.91	2.23	2.29	2.24	2.32	2.29
Alaska	0.09	0.10	0.10	0.11	0.11	0.11
Arizona	1.30	1.26	1.20	1.25	1.25	1.25
Arkansas	1.49	1.54	1.53	1.54	1.50	1.51
California	9.09	9.13	9.14	9.04	8.91	8.90
Colorado	0.90	0.78	0.80	0.77	0.83	0.82
Connecticut	0.83	0.87	0.94	0.86	0.98	0.94
Delaware	0.20	0.21	0.21	0.20	0.22	0.21
District of Col.	0.32	0.32	0.35	0.34	0.37	0.36
Florida	5.36	4.87	4.70	4.58	4.66	4.61
Georgia	3.57	3.34	3.47	3.41	3.36	3.42
Hawaii	0.27	0.28	0.29	0.30	0.29	0.30
Idaho	0.32	0.33	0.36	0.34	0.38	0.38
Illinois	5.46	4.85	4.68	5.00	4.56	4.72
Indiana	1.69	1.69	1.82	1.77	1.87	1.83
Iowa	0.75	0.82	0.82	0.84	0.96	0.98
Kansas	0.60	0.64	0.70	0.64	0.76	0.72
Kentucky	2.39	2.44	2.48	2.47	2.39	2.44
Louisiana	3.08	3.11	2.95	3.11	2.77	2.77
Maine	0.54	0.61	0.61	0.58	0.61	0.59
Maryland	1.46	1.42	1.51	1.41	1.57	1.50
Massachusetts	1.73	2.02	2.11	1.94	2.11	2.07
Michigan	3.53	3.60	3.76	3.70	3.79	3.80
Minnesota	1.22	1.41	1.44	1.44	1.58	1.59
Mississippi	2.73	2.43	2.37	2.49	2.21	2.28
Missouri	2.20	1.97	1.87	1.98	1.91	1.89
Montana	0.32	0.32	0.31	0.36	0.34	0.34
Nebraska	0.51	0.56	0.59	0.57	0.65	0.62
Nevada	0.22	0.23	0.23	0.23	0.23	0.23
New Hampshire	0.28	0.28	0.30	0.28	0.30	0.29
New Jersey	2.72	2.59	2.63	2.60	2.71	2.65
New Mexico	1.09	0.98	0.93	0.97	0.93	0.93
New York	7.35	8.10	7.97	8.12	7.60	7.69
North Carolina	3.10	3.17	3.12	3.07	3.04	3.05
North Dakota	0.25	0.24	0.24	0.26	0.26	0.26
Ohio	4.12	4.07	4.01	3.94	4.08	4.04
Oklahoma	1.22	1.33	1.32	1.37	1.29	1.28
Oregon	0.60	0.64	0.67	0.64	0.73	0.71
Pennsylvania	4.61	5.08	5.17	5.10	5.25	5.19
Rhode Island	0.30	0.28	0.30	0.27	0.32	0.31
South Carolina	2.32	2.17	2.02	2.17	2.04	2.06
South Dakota	0.30	0.30	0.33	0.34	0.36	0.35
Tennessee	2.74	2.87	2.72	2.75	2.55	2.65
Texas	8.30	7.93	7.90	8.12	8.12	8.15
Utah	0.35	0.39	0.43	0.41	0.49	0.48
Vermont	0.28	0.28	0.29	0.29	0.29	0.28
Virginia	2.18	2.16	2.13	2.05	2.17	2.17
Washington	1.14	1.06	1.10	1.06	1.12	1.10
West Virginia	1.07	1.12	1.05	1.08	1.04	1.04
Wisconsin	1.49	1.48	1.60	1.48	1.70	1.71
Wyoming	0.11	0.11	0.12	0.12	0.13	0.13

SOURCE: Survey of Income and Education